

Company Registration No. 09111449 (England and Wales)

THE BLESSED EDWARD BAMBER CATHOLIC MULTI ACADEMY TRUST

(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2018



THE BLESSED EDWARD BAMBER CATHOLIC MULTI ACADEMY TRUST

CONTENTS

	Page
Reference and administrative details	1 - 2
Directors' report	3 - 9
Governance statement	10 - 13
Statement on regularity, propriety and compliance	14
Statement of Directors' responsibilities	15
Independent auditor's report on the accounts	16 - 18
Independent reporting accountant's report on regularity	19 - 20
Statement of financial activities including income and expenditure account	21
Balance sheet	22
Statement of cash flows	23
Notes to the accounts including accounting policies	24 - 47

THE BLESSED EDWARD BAMBER CATHOLIC MULTI ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Members

The Right Reverend Michael Campbell OSA (resigned 9/4/18)
The Right Reverend Paul Swarbrick (appointed 9/4/18)
Lancaster Roman Catholic Diocesan Trust
St John Boste Catholic Academy Support Trust

Directors

Mr B Leyland (Chairman)
Mr S Tierney (Chief Executive Officer and Accounting Officer)
Mr P Desborough
Mrs E Boniface
Mrs C Hardy
Mr M T Humphreys
Ms E Kelly
Mr P Marley (Resigned 28 August 2018)
Father J Winstanley (Resigned 13 December 2017)
Mr R Turpin
Mrs S Ridyard
Mrs M Graham (Resigned 11 April 2018)
Father J Burns
Mrs M Staveley

Senior management team

- Chief Executive Officer	Mr S Tierney
- Headteacher	Mr S Eccles
- Executive Headteacher	Mrs S Smith
- Trust Business Manager	Miss E Trotter

Company name

The Blessed Edward Bamber Catholic Multi Academy Trust

Company registration number

09111449 (England and Wales)

Principal and registered office

St Mary's Catholic College
St Walburga's Road
Blackpool
FY3 7EQ

Academies operated

St Mary's Catholic Academy
St Cuthbert's Catholic Academy
Christ the King Catholic Academy

Location

Blackpool
Blackpool
Blackpool

Principal

Mr S Eccles
Mrs S Smith
Mrs S Smith

Independent auditor

MHA Moore and Smalley
Richard House
9 Winckley Square
Preston
PR1 3HP

THE BLESSED EDWARD BAMBER CATHOLIC MULTI ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Solicitors

Winkworth Sherwood
Minerva House
5 Montague Close
London
SE1 9BB

THE BLESSED EDWARD BAMBER CATHOLIC MULTI ACADEMY TRUST

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2018

The Directors present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2017 to 31 August 2018.

The annual report serves the purposes of both a Trustees' report and a Directors' report under company law.

The Trust currently operates two primary and one secondary academies across Blackpool. Its academies have combined capacity of 1,678 and students on roll of 1,667 in the school census of January 2018.

Structure, governance and management

Constitution

The Blessed Edward Bamber Catholic Multi Academy Trust ("The Trust") is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Trust.

The Directors act as the Trustees for the charitable activities of the Trust and are also the Directors of the charitable company for the purposes of company law. The charitable company is known as The Blessed Edward Bamber Catholic Multi Academy Trust.

Details of the Directors who served throughout the period are included in the Reference and Administrative Details on page 1.

Members' liability

Each member of the Charitable Company undertakes to contribute to the assets of the Charitable Company in the event of it being wound up while they are a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they ceased to be a member.

Directors' indemnities

The trust has purchased indemnity insurance to protect Directors and officers from claims arising in connection with academy business. The insurance provides cover of up to £5,000,000 on any one claim.

Method of recruitment and appointment or election of Directors

The Directors are appointed by the following:

Parent Directors	Elected by parents of the students of the Trust
Staff Directors	Chief Executive Officer
Foundation Directors	Appointed by the Diocesan Bishop
Other Directors	Appointed by majority decision of the Directors

Policies and procedures adopted for the induction and training of Directors

All Directors are provided with copies of the Articles of Association, the Governors Handbook, the Strategic Development Plan and other information on the working practices of the Board on appointment. Induction training is provided by a National Leader of Governance and ongoing training is provided through an external Clerking Service provided by the Local Authority.

THE BLESSED EDWARD BAMBER CATHOLIC MULTI ACADEMY TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Organisational structure

The Trust was formed on the 1 September 2014 from Christ the King Catholic Primary School, St Cuthbert's Catholic Primary School and St Mary's Catholic College. As part of a coherent vision to act together in a deep partnership, the trust was formed with a single Board, a Chief Executive Officer and no local governing bodies. Two of the academies were convertors and the other a sponsored academy. The Trust is open to other Catholic schools joining as determined and agreed by the Lancaster RC Diocese Trustees.

The Trust is governed by its Board of Directors, whose members are Directors of the charitable company for the purposes of the Companies Act 2006 and Trustees for the purposes of charity legislation. The organisational structure of the Trust consists of 4 levels: the Board of Directors, the Chief Executive Officer, the Headteachers and the Senior Leadership Team.

The Board of Directors is responsible for setting general policies, adopting an annual plan and budget, monitoring performance using results and making major decisions about the direction of the Trust, capital expenditure and, appointing senior staff. Certain elements of these responsibilities are delegated to the following sub committees who make recommendations to the Board of Directors:

- Finance, Staffing & Premises Committee
- Audit Committee
- Standards Committee
- Ethos & Community Committee
- Pay Committee

The Chief Executive Officer is also the Accounting Officer and has responsibility for managing the academies at an executive level implementing the policies laid down by the Directors and reporting back to them with the support of the Senior Leadership Team comprising the Headteachers in the individual academies.

Arrangements for setting pay and remuneration of key management personnel

The Directors consider the Board of Directors, who are the Trust's Trustees, the Chief Executive Officer, the Headteachers and the Trust Business Manager comprise the key management personnel of the company in charge of directing and controlling, running and operating the Trust on a day to day basis. All Directors except for the Chief Executive Officer give their time freely and no other Director received remuneration in the year. Details of Directors' expenses and related party transactions are disclosed in note 10 to the accounts. The pay of the Headteachers and the Trust Business Manager is reviewed annually and normally increased in line with the recommendations of the School Teachers' Review Body and the National Joint Council for Local Government Services respectively.

THE BLESSED EDWARD BAMBER CATHOLIC MULTI ACADEMY TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the relevant period	1
Full-time equivalent employee number	-

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	-
1%-50%	1
51%-99%	-
100%	-

Percentage of pay bill spent on facility time

Total cost of facility time	9,000
Total pay bill	7,370,000
Percentage of the total pay bill spent on facility time	-

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	100%
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Related parties and other connected charities and organisations

The Trust works in partnership with the Lancaster Diocese, the Local Authority, the Catholic Teaching Alliance (North) and Fylde Coast Teaching School Alliance, clusters of schools who are beacons of excellent practice. It also has links with the family of Blackpool and Lancaster Diocesan Catholic schools and has strong community links.

Objectives and activities

Objects and aims

The principal object and activity of the Trust as set out in its governing document is to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing Catholic schools designated as such ("the Academies") which shall offer a broad and balanced curriculum and shall be conducted in accordance with the principles, practices and tenets of the Catholic Church and all Catholic canon law applying thereto including any trust deed governing the use of land used by an academy both generally and in particular in relation to arranging for religious education and daily acts of worship and having regard to any advice and following directives issued by the Diocesan Bishop.

Objectives, strategies and activities

The Blessed Edward Bamber Catholic Multi Academy Trust seeks to be the place of first choice for children to learn and staff to work. Through an extensive challenging curriculum and best practice in teaching and learning, informed by research and the experiences of our staff, we will enhance children's life chances by maximising their educational outcomes. A rich Catholic ethos in which all grow in wisdom, responsibility, respect of others and love of God will be our hallmark.

THE BLESSED EDWARD BAMBER CATHOLIC MULTI ACADEMY TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

The main objectives for the year were:

- Implement a challenging spiral English & Literacy curriculum from Key Stage 1 to 5;
- Develop a challenging spiral Religious Education Curriculum from Key Stage 1 to Key Stage 5;
- Implement a stage appropriate professional development curriculum for teachers;
- Develop the work of the Research School and CPD Centre of Excellence at St. Mary's;
- Implement a Healthy Minds, Healthy Mindset Strategy to address mental health and resilience barriers to achievement;
- Implement a recruitment and retention strategy based on a positive ethos, workload reform, professional development and enhanced opportunities for staff.

Public benefit

The Directors are aware of the Charity Commission Guidance on providing public benefit and have had due regard to this in exercising their duties during the year. The main public benefit delivered by the Trust is the provision of a high quality of education to its students. This has been evidenced through the results achieved and feedback from external assessments.

Strategic report

Achievements and performance

Attainment and progress results were consistently at or above national averages at Christ the King and St. Cuthbert's Catholic Academy indicating the high quality of work being done across both primary academies. During Summer Term 2017 both academies were inspected by Ofsted and graded as "good".

Key performance indicators

Christ the King

Measure – School Actual (National Averages) at Expected Standard+

- Reading 85 (75)
- Mathematics 92 (76)
- Writing 85 (78) – Teacher Assessed
- RWM Combined 81 (64)
- SPAG 88 (78)
- Science 75 (82) – Teacher Assessed

St Cuthbert's

Measure – School Actual (National Averages) at Expected Standard+

- Reading 71 (75)
- Mathematics 89 (76)
- Writing 82 (78) – Teacher Assessed
- RWM Combined 68 (64)
- SPAG 71 (78)
- Science 79 (82) – Teacher Assessed

St Mary's

GCSE Measures 2018 Unvalidated

- English & Mathematics at Level 5+ - 42%
- Attainment 8 Point Score – 46.11
- Progress 8 – -0.12
- English Baccalaureate – 3.6%

Outcomes at St Mary's improved significantly this year. The academy does not "force" students to follow an English Baccalaureate curriculum preferring to allow, within the curriculum model, for students and parents to have a greater degree of choice. Results in Sixth Form were pleasing with students making strong progress from their GCSE baseline.

The academy was inspected by Ofsted and graded as "good" during the Summer Term 2017. Prior to this, in the Lent Term 2017 it achieved an outstanding grade in the Section 48 Denominational Inspection.

THE BLESSED EDWARD BAMBER CATHOLIC MULTI ACADEMY TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Going concern

After making appropriate enquiries, the Board of Directors has a reasonable expectation that the academy has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

Financial review

The Trust's total incoming resources during the year were £9,651,037. The majority of the Trust's income derives from central government funding via the Education and Skills Funding Agency, in the form of government grants. Total funding received for the Trust's educational operations in the period was £9,363,512 and further details are provided in note 4 to the accounts.

Total outgoing resources for the year were £10,376,887. The majority of the Trust's expenditure related to the direct provision of educational operations, amounting to £10,263,353. The excess of expenditure over income was £725,850, however this included the expense of Capital Improvement Funding amounting to £107,114 which had been recognised as income in the prior year.

At the period end the Trust's total reserves were in deficit by £1,438,622. This included the deficit on the Local Government Pension Scheme of £2,596,000. Excluding this balance leaves positive funds of £1,157,378 including unrestricted funds of £768,074 and restricted fixed assets of £186,571. The remaining balances on restricted funds of £202,733 relate to funding received in the period which is due to be spent in 2018/19 in accordance with the terms of funding. Further detail is provided in note 16.

At 31 August 2018 all assets shown in the accounts were used exclusively for providing education and associated support services to students of the Trust.

On conversion the Trust inherited a deficit of £1,758,000 in respect of the Local Government Pension Scheme, which many of the non-teaching staff belong to. This deficit has increased to £2,596,000 by 31 August 2018, mainly due to changes in actuarial assumptions regarding future returns on investments and the present value of future liabilities. The Trust does not have an obligation to settle this liability immediately and there are no indications that it will crystallise in the foreseeable future. Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding local government pension scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013. The Trust has entered into an agreement to make contributions towards the deficit of £86,300 between April 2018 and March 2019.

Reserves policy

Total restricted GAG funds and unrestricted funds amounted to £963,083 at 31 August 2018.

Restricted GAG reserves

The Directors have considered the level of GAG reserves which they believe will provide sufficient working capital to cover delays between the spending and receipt of grants and unexpected or planned future revenue and capital costs. The Directors believe that, under normal circumstances, the appropriate level of GAG reserve should be between 3% and 5% of GAG income and aim to keep the reserve within these parameters. At 31 August 2018 the Trust held GAG reserves of £195,009, which represents 2.5% of the GAG income for the period.

Unrestricted reserves

In addition to the GAG reserve, which can only be utilised for the restricted purposes set out in the Funding Agreement, the Trust holds unrestricted free reserves, which provide additional working capital and are not committed or designated. It is the Directors' policy to aim to hold approximately one months' expenditure in unrestricted reserves, to provide an additional cushion over and above the restricted GAG reserve. At 31 August 2018 the level of unrestricted reserves held was £768,074, which is materially within the policy.

THE BLESSED EDWARD BAMBER CATHOLIC MULTI ACADEMY TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Investment policy

The Directors, having due regard to the Charity Commission guidance have approved an Investment Policy delegating the day-to-day management of investments to the Trust Business Manager within the guidelines of the policy. The Trust does not currently hold any investments other than cash, which is held for its normal operations. The Board of Directors has adopted a low risk strategy to its cash holdings and will only invest in low risk deposit accounts. The aim of the policy is to ensure funds that the Trust does not immediately need to cover anticipated expenditure are invested in such a way as to maximise the Trust's investment return with acceptable risk.

Principal risks and uncertainties

The Directors have assessed the major risks to which the Trust is exposed and are satisfied that systems are in place to manage the identified risks effectively. A risk register is maintained in which identified risks are recorded and a formal review of the Trust's risk management processes will be undertaken on an annual basis and key controls will be continually improved.

The Directors identified the key risk as standards at the academies and the long term impact of low school funding levels. Quality Assurance visits took place three times during the academic year with results reported to the Standards Board. The loss of several experienced senior leaders at St Mary's Catholic Academy was identified as a risk and the Directors have now appointed two Deputy Headteachers to enhance the senior leadership team.

The internal financial systems are based on the Academies Financial Handbook and are documented in the Financial Regulations. The systems are based on a framework of segregation of duties, schemes of delegation which include authorisation and approval. Financial management information is provided to the Board of Directors on a quarterly basis.

The responsible officer role has been performed during the period by MHA Moore & Smalley and three reports have been presented to the Directors. No major issues have been identified. Recommendations for the improvements to systems and procedures have already been implemented or are in the process of being implemented.

Fundraising

Under the provisions of the Charities (Protection and Social Investment) Act 2016 this section must include information on fundraising practices.

The Trust undertakes a small amount of fundraising partly to fund projects within individual academies for example to provide laptops to pupils or to raise funds to pass on to other charities. We contact parents by letter to raise awareness of the fundraising no more than once per year and by text message prior to any specific event, for example a non-uniform day to raise funds for local charities.

We do not work with any commercial participators or professional fundraisers and have received no complaints about our fundraising. We believe that the small amount of fundraising undertaken is not unreasonably intrusive or persistent and there is no undue pressure placed on parents to donate.

THE BLESSED EDWARD BAMBER CATHOLIC MULTI ACADEMY TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Plans for future periods

The next academic year will see a continuation of the work to improve standards and deliver an extensive challenging curriculum and best practice in teaching and learning. We will:

- Implement a challenging spiral English & Literacy curriculum from Key Stage 1 to 5;
- Develop a challenging spiral Religious Education Curriculum from Key Stage 1 to Key Stage 5;
- Develop a challenging spiral Science Curriculum from Key Stage 1 to Key Stage 5;
- Implement a stage appropriate professional development curriculum for teachers;
- To develop St. Mary's Catholic Academy as a Research School for the Blackpool Opportunity Area
- Implement a Healthy Minds, Healthy Mind-set Strategy to address mental health and resilience barriers to achievement;
- Implement an Effective Strategy to Increase the Number of Post-16 Students in St. Mary's Sixth Form.

Employee consultation and disabled employees

As a Catholic Trust the Board respects the dignity of all people. It ensures equality of opportunity for all employees including those who are disabled during appointment, training and development and promotion processes making reasonable adjustments as required.

To enhance consultation with employees, the Trust has established a Joint Negotiating Committee with all recognised trade unions. The CEO is responsible for convening this meeting termly and agreeing agenda items. This builds on well established processes to provide information to and consult with employees on matters affecting them through electronic and face to face communication.

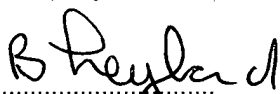
Auditor

In so far as the Directors are aware:

- there is no relevant audit information of which the Charitable Company's auditor is unaware; and
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The auditor, MHA Moore and Smalley, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

The Directors' report, incorporating a strategic report, was approved by order of the Board of Directors, as the company Directors, on 12/12/18..... and signed on its behalf by:



Mr B Leyland
Chairman

THE BLESSED EDWARD BAMBER CATHOLIC MULTI ACADEMY TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2018

Scope of responsibility

As Directors we acknowledge we have overall responsibility for ensuring that The Blessed Edward Bamber Catholic Multi Academy Trust has an effective and appropriate system of control, financial and otherwise. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The Board of Directors has delegated the day-to-day responsibility to the Chief Executive Officer, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between The Blessed Edward Bamber Catholic Multi Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Directors any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Directors' Report and in the Statement of Directors' Responsibilities. The Board of Directors has formally met 5 times during the year. Attendance during the year at meetings of the Board of Directors was as follows:

Directors	Meetings attended	Out of possible
Mr B Leyland (Chairman)	5	5
Mr S Tierney (Chief Executive Officer and Accounting Officer)	5	5
Mr P Desborough	5	5
Mrs E Boniface	4	5
Mrs C Hardy	5	5
Mr M T Humphreys	2	5
Ms E Kelly	2	5
Mr P Marley (Resigned 28 August 2018)	5	5
Father J Winstanley (Resigned 13 December 2017)	2	2
Mr R Turpin	3	5
Mrs S Ridyard	4	5
Mrs M Graham (Resigned 11 April 2018)	4	5
Father J Burns	5	5
Mrs M Staveley	3	5

The Board has an established Quality Assurance process, reviewed annually, in which it stipulates the data it requires to execute its functions effectively, when it must be made available and who/which committee will scrutinise it.

The key challenge for the Board this year was improving standards at St. Mary's whilst also ensuring the academies had the capacity to implement substantial and concurrent curriculum across all phases. A significant planning exercise was also undertaken to introduce a programme to improve pupils' reading abilities. The Board achieved this through focusing the work of leaders and teachers to a limited number of high priorities as identified within its Business Plan. Its established Quality Assurance Framework assisted the Board in ensuring it had timely and appropriate monitoring and checks in place.

THE BLESSED EDWARD BAMBER CATHOLIC MULTI ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

An assessment of the Board and Committee effectiveness was undertaken on 11 July 2018 using the Twenty One Questions for Multi Academy Trusts published by the All Party Parliamentary Group for Education Governance and Leadership in March 2015 and A Framework for Governance published by the National Governors' Association and Wellcome Trust published in January 2015. The Directors were able to confirm their effectiveness against the majority of the criteria with some areas identified for improvement as the Trust develops. A skills audit of Directors is now established as an annual process with analysis and feedback from the Board's Chair.

The Finance, Staffing and Premises Committee met four times during the year to develop and align resources to enhance the capacity of the Trust and its academies to deliver their stated mission and vision.

Attendance at meetings during the year was as follows:

Directors	Meetings attended	Out of possible
Mr B Leyland (Chairman)	4	4
Mr S Tierney (Chief Executive Officer and Accounting Officer)	4	4
Mrs C Hardy	4	4
Mr R Turpin	2	4
Mrs S Ridyard	4	4
Mrs M Staveley	4	4

The Audit Committee met four times during the year to review the risks to internal financial control at the Trust and agreeing a programme of work to address and provide assurance on those risks.

Attendance at meetings during the year was as follows:

Directors	Meetings attended	Out of possible
Mr B Leyland (Chairman)	4	4
Mr S Tierney (Chief Executive Officer and Accounting Officer)	4	4
Mr P Desborough	4	4
Mr R Turpin	2	4
Mrs M Staveley	4	4

Review of value for money

As Accounting Officer the Chief Executive Officer has responsibility for ensuring that the trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The Accounting Officer considers how the Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Directors where value for money can be improved including the use of benchmarking data where available. The Accounting Officer for the Trust has delivered improved value for money during the year by:

- Undertaking a competitive quotation procedure for the procurement of minibus lease (operating) to ensure best value in terms of price and quality of service;
- Tendering for the re-configuration of a science laboratory to improve efficient use of the space and the learning environment.
- Providing training and support for staff on using the new finance system efficiently and effectively.

THE BLESSED EDWARD BAMBER CATHOLIC MULTI ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in the Trust for the year ended 31 August 2018 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Directors has reviewed the key risks to which the trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Directors is of the view that there is a formal ongoing process for identifying, evaluating and managing the trust's significant risks that has been in place for the period 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the Board of Directors.

The risk and control framework

The trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular it includes:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Directors;
- regular reviews by the finance and general purposes committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The Board of Directors has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However the Directors have appointed MHA Moore and Smalley, the external auditor, to perform additional checks.

The reviewer's role includes giving advice on financial matters and performing a range of checks on the trust's financial systems. In particular the checks carried out in the current period included:

- testing of payroll systems
- testing of purchase systems
- testing of control account/bank reconciliations
- testing of receipt systems
- review of changes in the accounting system
- review of charges for centralised services
- review of service level agreements

On a termly basis, MHA Moore & Smalley reports to the Board of Directors, through the Audit Committee on the operation of the systems of control and on the discharge of the Board of Directors' financial responsibilities.

MHA Moore & Smalley have delivered the schedule of work as planned and confirmed that the Trust has made significant process in the development of consistent systems over the year.

THE BLESSED EDWARD BAMBER CATHOLIC MULTI ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Review of effectiveness

As Accounting Officer the Chief Executive Officer has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

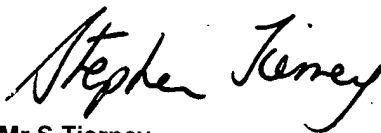
- the work of the reviewer;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the audit committee and a plan to ensure continuous improvement of the system is in place.

Approved by order of the Board of Directors on 12/12/18..... and signed on its behalf by:



Mr B Leyland
Chairman



Mr S Tierney
Chief Executive Officer and Accounting Officer

THE BLESSED EDWARD BAMBER CATHOLIC MULTI ACADEMY TRUST


STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2018

As accounting officer of The Blessed Edward Bamber Catholic Multi Academy Trust I have considered my responsibility to notify the trust Board of Directors and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

I confirm that I and the trust's Board of Directors are able to identify any material irregular or improper use of funds by the trust, or material non-compliance with the terms and conditions of funding under the trust's funding agreement and the Academies Financial Handbook 2017.

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the Board of Directors and ESFA.



Mr S Tierney
Accounting Officer

12/12/18.....

THE BLESSED EDWARD BAMBER CATHOLIC MULTI ACADEMY TRUST

STATEMENT OF DIRECTORS' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2018

The directors (who also act as trustees for The Blessed Edward Bamber Catholic Multi Academy Trust) are responsible for preparing the Directors' report and the accounts in accordance with the Annual Accounts Direction issued by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Directors to prepare accounts for each financial year. Under company law the Directors must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period.

In preparing these accounts, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring that grants received from ESFA/DfE have been applied for the purposes intended.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of accounts may differ from legislation in other jurisdictions.

Approved by order of the members of the Board of Directors on 12/12/18 and signed on its behalf by:



Mr B Leyland
Chairman

THE BLESSED EDWARD BAMBER CATHOLIC MULTI ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE BLESSED EDWARD BAMBER CATHOLIC MULTI ACADEMY TRUST

FOR THE YEAR ENDED 31 AUGUST 2018

Opinion

We have audited the accounts of The Blessed Edward Bamber Catholic Multi Academy Trust for the year ended 31 August 2018 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2018 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the accounts' section of our report. We are independent of the trust in accordance with the ethical requirements that are relevant to our audit of the accounts in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the accounts is not appropriate; or
- the Directors have not disclosed in the accounts any identified material uncertainties that may cast significant doubt about the trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the accounts are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the accounts and our auditor's report thereon. The Directors are responsible for the other information. Our opinion on the accounts does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the accounts or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

THE BLESSED EDWARD BAMBER CATHOLIC MULTI ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE BLESSED EDWARD BAMBER CATHOLIC MULTI ACADEMY TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the Directors' report including the incorporated strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report, including the incorporated strategic report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the accounts are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the statement of Directors' responsibilities, the Directors are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, the Directors are responsible for assessing the trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the charitable company, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the accounts

Our objectives are to obtain reasonable assurance about whether the accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these accounts.

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.


THE BLESSED EDWARD BAMBER CATHOLIC MULTI ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE BLESSED EDWARD BAMBER CATHOLIC MULTI ACADEMY TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



**Christine Wilson (Senior Statutory Auditor)
for and on behalf of MHA Moore and Smalley
Chartered Accountants
Statutory Auditor**

Richard House
9 Winckley Square
Preston
PR1 3HP

18/12/18

THE BLESSED EDWARD BAMBER CATHOLIC MULTI ACADEMY TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE BLESSED EDWARD BAMBER CATHOLIC MULTI ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY

FOR THE YEAR ENDED 31 AUGUST 2018

In accordance with the terms of our engagement letter dated 12 August 2016 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Blessed Edward Bamber Catholic Multi Academy Trust during the period 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to The Blessed Edward Bamber Catholic Multi Academy Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the The Blessed Edward Bamber Catholic Multi Academy Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The Blessed Edward Bamber Catholic Multi Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of The Blessed Edward Bamber Catholic Multi Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of The Blessed Edward Bamber Catholic Multi Academy Trust's funding agreement with the Secretary of State for Education dated 27 August 2014 and the Academies Financial Handbook, extant from 1 September 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance, and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2017 to 2018. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2017 to 2018 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity.

A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the trust's income and expenditure.

The work undertaken to draw to our conclusion includes an evaluation of the control environment together with appropriate enquiry, analytical review and substantive testing of transactions.

THE BLESSED EDWARD BAMBER CATHOLIC MULTI ACADEMY TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE BLESSED EDWARD BAMBER CATHOLIC MULTI ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2017 to 31 August 2018 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

MHA Moore and Smalley

Reporting Accountant
MHA Moore and Smalley

Richard House
9 Winckley Square
Preston
PR1 3HP

18/12/18.....

THE BLESSED EDWARD BAMBER CATHOLIC MULTI ACADEMY TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2018

		Unrestricted funds	Restricted general funds	Restricted fixed asset funds	Total 2018	Total 2017
	Notes	£	£	£	£	£
Income and endowments from:						
Donations and capital grants	3	38,341	6,084	37,883	82,308	281,631
Charitable activities:						
- Funding for educational operations	4	117,625	9,245,887	-	9,363,512	9,296,828
Other trading activities	5	203,290	203	-	203,493	162,240
Investments	6	1,724	-	-	1,724	1,627
Total income and endowments		<u>360,980</u>	<u>9,252,174</u>	<u>37,883</u>	<u>9,651,037</u>	<u>9,742,326</u>
Expenditure on:						
Raising funds	7	113,534	-	-	113,534	145,303
Charitable activities:						
- Educational operations	9	61,685	10,078,210	123,458	10,263,353	10,025,440
Total expenditure	7	<u>175,219</u>	<u>10,078,210</u>	<u>123,458</u>	<u>10,376,887</u>	<u>10,170,743</u>
Net income/(expenditure)		185,761	(826,036)	(85,575)	(725,850)	(428,417)
Transfers between funds		(196,883)	205,617	(8,734)	-	-
Other recognised gains and losses						
Actuarial gains on defined benefit pension schemes	19	-	493,000	-	493,000	489,000
Net movement in funds		<u>(11,122)</u>	<u>(127,419)</u>	<u>(94,309)</u>	<u>(232,850)</u>	<u>60,583</u>
Reconciliation of funds						
Total funds brought forward		779,196	(2,265,848)	280,880	(1,205,772)	(1,266,355)
Total funds carried forward	17	<u>768,074</u>	<u>(2,393,267)</u>	<u>186,571</u>	<u>(1,438,622)</u>	<u>(1,205,772)</u>


THE BLESSED EDWARD BAMBER CATHOLIC MULTI ACADEMY TRUST

BALANCE SHEET

AS AT 31 AUGUST 2018

	Notes	2018 £	2017 £
Fixed assets			
Tangible assets	13	186,571	198,675
Current assets			
Debtors	14	309,138	290,055
Cash at bank and in hand		1,245,151	1,791,822
		<u>1,554,289</u>	<u>2,081,877</u>
Current liabilities			
Creditors: amounts falling due within one year	15	(583,482)	(655,324)
Net current assets		<u>970,807</u>	<u>1,426,553</u>
Net assets excluding pension liability		<u>1,157,378</u>	<u>1,625,228</u>
Defined benefit pension scheme liability	19	(2,596,000)	(2,831,000)
Net assets		<u>(1,438,622)</u>	<u>(1,205,772)</u>
Funds of the trust:			
Restricted funds	17		
- Fixed asset funds		186,571	280,880
- Restricted income funds		202,733	565,152
- Pension reserve		(2,596,000)	(2,831,000)
Total restricted funds		<u>(2,206,696)</u>	<u>(1,984,968)</u>
Unrestricted income funds	17	<u>768,074</u>	<u>779,196</u>
Total funds		<u>(1,438,622)</u>	<u>(1,205,772)</u>

The accounts on pages 21 to 47 were approved by the Directors and authorised for issue on 12/12/18 and are signed on their behalf by:


 Mr B Leyland
 Chairman

Company Number 09111449

THE BLESSED EDWARD BAMBER CATHOLIC MULTI ACADEMY TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2018

	Notes	2018 £	£	2017 £	£
Cash flows from operating activities					
Net cash used in operating activities	21		(474,924)		(418,554)
Cash flows from investing activities					
Dividends, interest and rents from investments		1,724		1,627	
Capital grants from DfE Group		37,883		222,491	
Capital funding received from sponsors and others		-		9,990	
Purchase of tangible fixed assets		(111,354)		(134,310)	
Net cash (used in)/provided by investing activities			(71,747)		99,798
Net decrease in cash and cash equivalents in the reporting period			(546,671)		(318,756)
Cash and cash equivalents at beginning of the year			1,791,822		2,110,578
Cash and cash equivalents at end of the year			1,245,151		1,791,822

THE BLESSED EDWARD BAMBER CATHOLIC MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

The Blessed Edward Bamber Catholic Multi Academy Trust is a charitable company incorporated in England and Wales. The registered office address is given on page 1 and the nature of its operations are set out in the Directors' report.

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgements and key sources of estimation uncertainty, is set out below.

1.1 Basis of preparation

The accounts of the trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The Blessed Edward Bamber Catholic Multi Academy Trust meets the definition of a public benefit entity under FRS 102.

1.2 Going concern

The Directors assess whether the use of going concern is appropriate, ie whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company to continue as a going concern. The Directors make this assessment in respect of a period of at least one year from the date of authorisation for issue of the accounts and have concluded that the trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the trust's ability to continue as a going concern. Thus they continue to adopt the going concern basis of accounting in preparing the accounts.

1.3 Income

All incoming resources are recognised when the trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

Grants

Grants are included in the statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the statement of financial activities in the period for which it is receivable, and any abatement in respect of the period is deducted from income and recognised as a liability.

Capital grants are recognised in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grants are reflected in the balance sheet in the restricted fixed asset fund. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

THE BLESSED EDWARD BAMBER CATHOLIC MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

(Continued)

Sponsorship income

Sponsorship income provided to the trust which amounts to a donation is recognised in the statement of financial activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

Donations

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

Other income

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the trust has provided the goods or services.

Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

The academy trust does not account for the value of donated facilities on the grounds that the market rent is not reasonably quantifiable and measurable.

Donated fixed assets

Donated fixed assets are measured at fair value unless it is impractical to measure this reliably, in which case the cost of the item to the donor is used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the trust's accounting policies.

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

This includes all expenditure incurred by the trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Charitable activities

These are costs incurred on the trust's educational operations, including support costs and costs relating to the governance of the trust apportioned to charitable activities.

THE BLESSED EDWARD BAMBER CATHOLIC MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

(Continued)

1.5 Tangible fixed assets and depreciation

The academy trust company occupies the land and buildings which are owned by the Lancaster Roman Catholic Diocesan Trust. The trustees are the providers of the academies' land and buildings on the same basis as when the academies were maintained schools. The academy trust company occupies the land and buildings under a mere licence. This continuing permission of their trustees is pursuant to, and subject to, the trustees' charitable objects, and is part of the Catholic Church's contribution since 1847 to provide State funded education in partnership with the State. The licence delegates aspects of the management of the land and buildings to the academy trust company for the time being, but does not vest any rights over the land in the academy trust company. The trustees of the Lancaster Roman Catholic Diocesan Trust have given an undertaking to the Secretary of State that they will not give the academy trust company less than two years notice to terminate the occupation of the land or buildings. Having considered the factual matrix under which the academy trust company is occupying the land and buildings the directors have concluded that the value of the land and buildings occupied by the academy trust company will not be recognised on the balance sheet of the academy trust.

In addition, the academy trust inherited the fixtures and fittings and other tangible fixed assets in use by the three schools at the date of conversion. These assets had been held for a significant period of time and were fully depreciated. An estimate of the current fair value was not readily available and the cost of obtaining a valuation was considered to be disproportionate to the value of including such a valuation in the accounts. No value has therefore been included in the accounts for these assets. The insurance value of fixtures and fittings and other assets inherited on conversion was £6,313,364.

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding that require the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward in the balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the statement of financial activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Computer equipment	3 years
Fixtures, fittings & equipment	5 years

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the statement of financial activities.

THE BLESSED EDWARD BAMBER CATHOLIC MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

(Continued)

1.6 Liabilities

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

1.7 Leased assets

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

1.8 Financial instruments

The trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the trust and their measurement basis are as follows.

Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition.

Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.9 Taxation

The trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by chapter 3 part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.10 Pensions benefits

Retirement benefits to employees of the trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes and the assets are held separately from those of the trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a projected unit method. The TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate..

THE BLESSED EDWARD BAMBER CATHOLIC MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

(Continued)

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

1.11 Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the trust at the discretion of the Directors.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Education and Skills Funding Agency/Department for Education.

1.12 Agency arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from the ESFA. Payments received from the ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable allocation of the funds. The income received and bursaries paid during the year and any balances held are disclosed in note 24.

THE BLESSED EDWARD BAMBER CATHOLIC MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

2 Critical accounting estimates and areas of judgement

Accounting estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The trust makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Useful economic life of tangible fixed assets

The useful economic life of tangible fixed assets is judged at the point of purchase. As standard, a useful economic life of 3 years is applied to computer equipment and 5 years to fixtures, fittings and equipment.

Impairment of fixed assets

At each balance sheet date, management undertake an assessment of the carrying value of tangible fixed assets to determine whether there is any indication that the value has been impaired. Where necessary, an impairment is recorded as an impairment loss.

Impairment of debtors

At each balance sheet date, management undertake a review of outstanding debtor balances and consider whether there is any indication of impairment or any balances requiring provision. This calculation is based on the financial position of the debtors, the payment history and any ongoing discussions.

Valuation of the Local Government Pension Scheme defined benefit liability

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 19, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

THE BLESSED EDWARD BAMBER CATHOLIC MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

2 Critical accounting estimates and areas of judgement

(Continued)

Critical areas of judgement

Classification of occupied land and buildings owned by the Diocese

The academy trust occupies the land and buildings which are owned by the Lancaster Roman Catholic Diocesan Trust. The trustees are the providers of the academies' land and buildings on the same basis as when the academies were maintained schools. The academy trust company occupies the land and buildings under a licence. The land and buildings are not included in the accounts. Further information on the accounting treatment adopted can be found in the tangible fixed assets accounting policy.

Donated facilities

The market rent of the donated facilities is not reasonably quantifiable or measurable. As such, an estimate of the value of the donation (being the amount it would have to pay if renting the site on the open market) has not been recognised in the financial statements.

Classification of finance and operating leases

At the inception of each lease, management undertake an assessment of the terms of the lease including the payments to be made over the life of the lease, the fair value of the asset subject to the lease, the length of the lease and whether the terms of the lease transfer substantially all of the risks and rewards of ownership. Based on this assessment, management will determine whether the lease should be classified as a finance or operating lease.

3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Capital grants	-	37,883	37,883	222,491
Other donations	38,341	6,084	44,425	59,140
	<u>38,341</u>	<u>43,967</u>	<u>82,308</u>	<u>281,631</u>

The income from donations and capital grants was £82,308 (2017: £281,631) of which £38,341 was unrestricted (2017: £38,607), £6,084 was restricted (2017: £10,543) and £37,883 was restricted fixed assets (2017: £232,481).

THE BLESSED EDWARD BAMBER CATHOLIC MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

4 Funding for the trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
DfE / ESFA grants				
General annual grant (GAG)	-	7,652,999	7,652,999	7,669,159
Other DfE / ESFA grants	-	642,096	642,096	796,952
	-	8,295,095	8,295,095	8,466,111
Other government grants				
Local authority grants	-	610,965	610,965	556,467
Special educational projects	-	104,938	104,938	-
	-	715,903	715,903	556,467
Other funds				
Other incoming resources	117,625	234,889	352,514	274,250
Total funding	117,625	9,245,887	9,363,512	9,296,828

The income from funding for educational operations was £9,363,512 (2017: £9,296,828) of which £117,625 was unrestricted (2017: £81,451) and £9,245,887 was restricted (2017: £9,215,377).

5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Hire of facilities	10,581	-	10,581	5,332
Other income	192,709	203	192,912	156,908
	203,290	203	203,493	162,240

The income from other trading activities was £203,493 (2017: £162,240) of which £203,290 was unrestricted (2017: £162,240) and £203 was restricted (2017: £-).

6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Short term deposits	1,724	-	1,724	1,627

The income from funding for investment income was £1,724 (2017: £1,627) of which £1,724 was unrestricted (2017: £1,627).

THE BLESSED EDWARD BAMBER CATHOLIC MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

7 Expenditure

	Staff costs	Non Pay Expenditure		Total	Total
	£	Premises	Other	2018	2017
	£	£	£	£	£
Expenditure on raising funds					
- Direct costs	44,013	-	69,521	113,534	145,303
Academy's educational operations					
- Direct costs	6,565,918	99,472	931,782	7,597,172	7,455,225
- Allocated support costs	1,466,843	713,471	485,867	2,666,181	2,570,215
	<u>8,076,774</u>	<u>812,943</u>	<u>1,487,170</u>	<u>10,376,887</u>	<u>10,170,743</u>

The expenditure on raising funds was £113,534 (2017: £145,303) of which £113,534 was unrestricted (2017: £145,303).

Net income/(expenditure) for the year includes:

	2018	2017
	£	£
Fees payable to auditor for:		
- Audit	8,950	8,438
- Other services	5,840	6,430
Operating lease rentals	16,505	12,747
Depreciation of tangible fixed assets	123,458	142,797
Net interest on defined benefit pension liability	66,000	61,000
	<u>220,753</u>	<u>230,412</u>

The academy trust made a donation of £16,610 (2017: £5,780) to The Diocese of Lancaster Education Service as a contribution towards the governance support provided during the year.

8 Central services

The trust has provided the following central services to its academies during the year:

- human resources;
- financial services;
- legal services;
- educational support services

The central levy charge is set equal to 4% of each academy's General Annual Grant funding, along with 4% of the LA Children Centre funding (where applicable). In addition, staff cost recharges are recognised as a contribution towards the total cost of the central finance team, including 25% of the Trust Business Manager's salary.

The amounts charged during the year were as follows:

	2018	2017
	£	£
St Mary's Catholic Academy	318,730	233,767
St Cuthbert's Catholic Academy	84,982	45,404
Christ the King Catholic Academy	64,310	36,141
	<u>468,022</u>	<u>315,312</u>

THE BLESSED EDWARD BAMBER CATHOLIC MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

9 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Direct costs				
Educational operations	22,845	7,574,327	7,597,172	7,455,225
Support costs				
Educational operations	38,840	2,627,341	2,666,181	2,570,215
	<u>61,685</u>	<u>10,201,668</u>	<u>10,263,353</u>	<u>10,025,440</u>

The expenditure on educational operations was £10,263,353 (2017: £10,025,440) of which £61,685 was unrestricted (2017: £131,473), £10,078,210 was restricted (2017: £9,751,170) and £123,458 was restricted fixed assets (2017: £142,797).

	2018 £	2017 £
Analysis of support costs		
Support staff costs	1,466,843	1,207,361
Depreciation	23,986	22,592
Premises costs	525,618	798,032
Other support costs	629,479	520,236
Governance costs	20,255	21,994
	<u>2,666,181</u>	<u>2,570,215</u>

10 Staff

Staff costs

Staff costs during the year were:

	2018 £	2017 £
Wages and salaries	6,122,995	5,883,328
Social security costs	570,635	546,336
Pension costs	1,253,647	1,170,377
Staff costs	<u>7,947,277</u>	<u>7,600,041</u>
Agency staff costs	129,497	55,921
Staff restructuring costs	-	44,000
Total staff expenditure	<u>8,076,774</u>	<u>7,699,962</u>

Staff restructuring costs comprise:

Redundancy payments	-	44,000
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THE BLESSED EDWARD BAMBER CATHOLIC MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

10 Staff

(Continued)

Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £nil (2017: £44,000). Individually, the payments were £30,000 and £14,000.

Staff numbers

The average number of persons employed by the trust during the year was as follows:

	2018 Number	2017 Number
Teachers	99	103
Administration and support	149	141
Management	21	21
	<u>269</u>	<u>265</u>

Higher paid staff

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2018 Number	2017 Number
£60,001 - £70,000	1	2
£70,001 - £80,000	2	1
£100,001 - £110,000	1	1
	<u>4</u>	<u>4</u>

The above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2018 pension contributions for these staff amounted to £52,314 (2017: £51,320).

Key management personnel

The key management personnel of the trust comprise the Directors and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the trust was £390,475 (2017: £412,830).

THE BLESSED EDWARD BAMBER CATHOLIC MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

11 Directors' remuneration and expenses

One director has been paid remuneration or has received other benefits from an employment with the trust. The Chief Executive Officer only receives remuneration in respect of services he provides undertaking the role of Chief Executive Officer under his contract of employment, and not in respect of his services as director of the trust.

The value of Directors' remuneration and other benefits was as follows:

Mr S Tierney (Chief Executive Officer):

Remuneration £105,000 - £110,000 (2017: £105,000 - £110,000)

Employer's pension contributions £15,000 - £20,000 (2017: £15,000 - £20,000)

During the year ended 31 August 2018 travel and subsistence expenses totalling £1,721 were reimbursed to the Directors (2017: £2,125).

Other related party transactions involving the Directors are set out in note 22.

12 Directors and officers insurance

In accordance with normal commercial practice, the trust has purchased insurance to protect Directors and officers from claims arising from negligent acts, errors or omissions occurring whilst on trust business. The insurance provides cover up to £2,000,000 on any one claim. The cost of this insurance is included in the total insurance cost and is not separately identifiable.

13 Tangible fixed assets

	Computer equipment	Fixtures, fittings & equipment	Total
	£	£	£
Cost			
At 1 September 2017	400,868	102,025	502,893
Additions	84,934	26,420	111,354
Disposals	(151,804)	-	(151,804)
At 31 August 2018	333,998	128,445	462,443
Depreciation			
At 1 September 2017	265,521	38,697	304,218
On disposals	(151,804)	-	(151,804)
Charge for the year	99,472	23,986	123,458
At 31 August 2018	213,189	62,683	275,872
Net book value			
At 31 August 2018	120,809	65,762	186,571
At 31 August 2017	135,347	63,328	198,675

THE BLESSED EDWARD BAMBER CATHOLIC MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

14 Debtors	2018	2017
	£	£
VAT recoverable	28,505	91,713
Other debtors	40,758	21,738
Prepayments and accrued income	239,875	176,604
	<u>309,138</u>	<u>290,055</u>
	<u><u>309,138</u></u>	<u><u>290,055</u></u>
15 Creditors: amounts falling due within one year	2018	2017
	£	£
Trade creditors	183,491	185,485
Other taxation and social security	144,720	137,427
Other creditors	4,844	14,877
Accruals and deferred income	250,427	317,535
	<u>583,482</u>	<u>655,324</u>
	<u><u>583,482</u></u>	<u><u>655,324</u></u>
16 Deferred income	2018	2017
	£	£
Deferred income is included within:		
Creditors due within one year	<u>31,906</u>	<u>101,385</u>
	<u><u>31,906</u></u>	<u><u>101,385</u></u>
Deferred income at 1 September 2017	101,385	171,073
Released from previous years	(101,385)	(171,073)
Resources deferred in the year	<u>31,906</u>	<u>101,385</u>
	<u><u>31,906</u></u>	<u><u>101,385</u></u>
Deferred income at 31 August 2018	31,906	101,385
	<u><u>31,906</u></u>	<u><u>101,385</u></u>

At the balance sheet date the trust was holding funds received in advance in respect of the Universal Infant Free School Meals programme. In addition the trust was holding a number of deposits received in respect of school trips scheduled for 2018/19.

THE BLESSED EDWARD BAMBER CATHOLIC MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

17 Funds

	Balance at 1 September 2017 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2018 £
Restricted general funds					
General Annual Grant (GAG)	401,438	7,652,999	(8,065,045)	205,617	195,009
Other DfE / ESFA grants	107,114	642,096	(741,486)	-	7,724
Other government grants	55,813	715,903	(771,716)	-	-
Other restricted funds	787	241,176	(241,963)	-	-
Pension reserve	(2,831,000)	-	(258,000)	493,000	(2,596,000)
	<u>(2,265,848)</u>	<u>9,252,174</u>	<u>(10,078,210)</u>	<u>698,617</u>	<u>(2,393,267)</u>
Restricted fixed asset funds					
DfE group capital grants	110,388	37,883	(9,394)	(84,170)	54,707
Capital expenditure from GAG	163,832	-	(110,734)	75,436	128,534
Private sector capital sponsorship	6,660	-	(3,330)	-	3,330
	<u>280,880</u>	<u>37,883</u>	<u>(123,458)</u>	<u>(8,734)</u>	<u>186,571</u>
Total restricted funds	<u>(1,984,968)</u>	<u>9,290,057</u>	<u>(10,201,668)</u>	<u>689,883</u>	<u>(2,206,696)</u>
Unrestricted funds					
General funds	<u>779,196</u>	<u>360,980</u>	<u>(175,219)</u>	<u>(196,883)</u>	<u>768,074</u>
Total funds	<u>(1,205,772)</u>	<u>9,651,037</u>	<u>(10,376,887)</u>	<u>493,000</u>	<u>(1,438,622)</u>

THE BLESSED EDWARD BAMBER CATHOLIC MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

17 Funds

(Continued)

Under the funding agreement with the Secretary of State, the trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2018.

General Annual Grant must be used for the normal running expenses of the trust and any amounts carried forward at the end of a financial period must be used in accordance with the terms of the Funding Agreement.

Other DfE/ESFA grants comprise additional funding received for the furtherance of education, which must be used in accordance with the specific terms of each grant.

Other government grants include Pupil Premium funding and grants received in respect of the nurseries and Children's Centre.

Other restricted funds include contributions received for school trips and non public donations.

The pension reserve represents the value of the trust's share of the deficit in the Local Government Pension Scheme. The value of the deficit inherited on conversion was £1,758,000 and this had increased to £2,596,000 by 31 August 2018.

Restricted fixed asset funds include assets funded from capital grants and out of the GAG. Depreciation is to be charged against this fund each year.

THE BLESSED EDWARD BAMBER CATHOLIC MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

17 Funds

(Continued)

Comparative information in respect of the preceding period is as follows:

	Balance at 1 September 2016 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2017 £
Restricted general funds					
General Annual Grant (GAG)	520,516	7,669,159	(7,702,324)	(85,913)	401,438
Other DfE / ESFA grants	232,397	796,952	(1,062,521)	140,286	107,114
Other government grants	26,166	556,467	(526,820)	-	55,813
Other restricted funds	9,950	203,342	(212,505)	-	787
Pension reserve	(3,073,000)	-	(247,000)	489,000	(2,831,000)
	<u>(2,283,971)</u>	<u>9,225,920</u>	<u>(9,751,170)</u>	<u>543,373</u>	<u>(2,265,848)</u>
Restricted fixed asset funds					
DfE group capital grants	42,273	222,491	(14,090)	(140,286)	110,388
Capital expenditure from GAG	164,889	-	(125,377)	124,320	163,832
Private sector capital sponsorship	-	9,990	(3,330)	-	6,660
	<u>207,162</u>	<u>232,481</u>	<u>(142,797)</u>	<u>(15,966)</u>	<u>280,880</u>
Total restricted funds	<u>(2,076,809)</u>	<u>9,458,401</u>	<u>(9,893,967)</u>	<u>527,407</u>	<u>(1,984,968)</u>
Unrestricted funds					
General funds	<u>810,454</u>	<u>283,925</u>	<u>(276,776)</u>	<u>(38,407)</u>	<u>779,196</u>
Total funds	<u>(1,266,355)</u>	<u>9,742,326</u>	<u>(10,170,743)</u>	<u>489,000</u>	<u>(1,205,772)</u>

THE BLESSED EDWARD BAMBER CATHOLIC MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

17 Funds

(Continued)

A current year 12 months and prior year 12 months combined position is as follows:

	Balance at 1 September 2016 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2018 £
Restricted general funds					
General Annual Grant (GAG)	520,516	15,322,158	(15,767,369)	119,704	195,009
Other DfE / ESFA grants	232,397	1,439,048	(1,804,007)	140,286	7,724
Other government grants	26,166	1,272,370	(1,298,536)	-	-
Other restricted funds	9,950	444,518	(454,468)	-	-
Pension reserve	(3,073,000)	-	(505,000)	982,000	(2,596,000)
	<u>(2,283,971)</u>	<u>18,478,094</u>	<u>(19,829,380)</u>	<u>1,241,990</u>	<u>(2,393,267)</u>
Restricted fixed asset funds					
DfE group capital grants	42,273	260,374	(23,484)	(224,456)	54,707
Capital expenditure from GAG	164,889	-	(236,111)	199,756	128,534
Private sector capital sponsorship	-	9,990	(6,660)	-	3,330
	<u>207,162</u>	<u>270,364</u>	<u>(266,255)</u>	<u>(24,700)</u>	<u>186,571</u>
Total restricted funds	<u>(2,076,809)</u>	<u>18,748,458</u>	<u>(20,095,635)</u>	<u>1,217,290</u>	<u>(2,206,696)</u>
Unrestricted funds					
General funds	<u>810,454</u>	<u>644,905</u>	<u>(451,995)</u>	<u>(235,290)</u>	<u>768,074</u>
Total funds	<u>(1,266,355)</u>	<u>19,393,363</u>	<u>(20,547,630)</u>	<u>982,000</u>	<u>(1,438,622)</u>

THE BLESSED EDWARD BAMBER CATHOLIC MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

17 Funds

(Continued)

Total funds analysis by academy

	2018 £	2017 £
Fund balances at 31 August 2018 were allocated as follows:		
St Mary's Catholic Academy	390,762	707,226
St Cuthbert's Catholic Academy	106,534	170,091
Christ the King Catholic Academy	280,400	216,983
Central services	193,105	250,048
Total before fixed assets fund and pension reserve	970,801	1,344,348
Restricted fixed asset fund	186,571	280,880
Pension reserve	(2,596,000)	(2,831,000)
Total funds	(1,438,628)	(1,205,772)

Total cost analysis by academy

Expenditure incurred by each academy during the year was as follows:

	Teaching and educational support staff £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total £
St Mary's Catholic Academy	4,080,243	1,086,330	734,392	1,680,697	7,581,662
St Cuthbert's Catholic Academy	616,671	462,538	119,472	368,781	1,567,462
Christ the King Catholic Academy	536,183	310,504	101,458	199,610	1,147,755
	5,233,097	1,859,372	955,322	2,249,088	10,296,879

18 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2018 are represented by:				
Tangible fixed assets	-	-	186,571	186,571
Current assets	768,071	786,218	-	1,554,289
Creditors falling due within one year	3	(583,485)	-	(583,482)
Defined benefit pension liability	-	(2,596,000)	-	(2,596,000)
Total net assets	768,074	(2,393,267)	186,571	(1,438,622)

THE BLESSED EDWARD BAMBER CATHOLIC MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

18 Analysis of net assets between funds

(Continued)

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2017 are represented by:				
Tangible fixed assets	-	-	198,675	198,675
Current assets	797,982	1,201,690	82,205	2,081,877
Creditors falling due within one year	(18,786)	(636,538)	-	(655,324)
Defined benefit pension liability	-	(2,831,000)	-	(2,831,000)
Total net assets	779,196	(2,265,848)	280,880	(1,205,772)

19 Pension and similar obligations

The trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Lancashire County Pension Fund. Both are multi-employer defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012, and that of the LGPS related to the period ended 31 March 2016.

Contributions amounting to £119,793 (2017: £113,955) were payable to the schemes at 31 August 2018 and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis - these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014.

THE BLESSED EDWARD BAMBER CATHOLIC MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

19 Pension and similar obligations

(Continued)

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The pension costs paid to the TPS in the period amounted to £670,316 (2017: £647,504).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 15.3 to 16.3% for employers and 5.5 to 12.5% for employees.

The trust has entered into an agreement to make contributions towards the deficit of £86,300 between April 2018 and March 2019.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

Total contributions made	2018 £	2017 £
Employer's contributions	316,000	252,000
Employees' contributions	86,000	75,000
Total contributions	402,000	327,000

THE BLESSED EDWARD BAMBER CATHOLIC MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

19 Pension and similar obligations

(Continued)

Principal actuarial assumptions	2018 %	2017 %
Rate of increase in salaries	3.6	3.7
Rate of increase for pensions in payment/inflation	2.2	2.2
Discount rate for scheme liabilities	2.8	2.5
Inflation assumption (CPI)	2.1	2.2

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement age 65 are:

	2018 Years	2017 Years
Retiring today		
- Males	22.7	22.6
- Females	25.4	25.2
Retiring in 20 years		
- Males	25.0	24.9
- Females	28.0	27.9

Scheme liabilities would have been affected by changes in assumptions as follows (£'000):

	2018 '000	2017 '000
Discount rate + 0.1%	(115)	(109)
Mortality assumption + 1 year	91	86
CPI rate + 0.1%	118	113
Pay growth + 0.1%	24	27

The trust's share of the assets in the scheme

	2018 Fair value £	2017 Fair value £
Equities	1,074,000	864,000
Government bonds	83,000	37,000
Other bonds	15,000	45,000
Cash/liquidity	22,000	90,000
Property	225,000	204,000
Other assets	1,028,000	725,000
Total market value of assets	2,447,000	1,965,000

The actual return on scheme assets was £128,000 (2017: £218,000).

THE BLESSED EDWARD BAMBER CATHOLIC MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

19 Pension and similar obligations

(Continued)

Amount recognised in the Statement of Financial Activities	2018 £	2017 £
Current service cost	501,000	432,000
Interest income	(54,000)	(33,000)
Interest cost	120,000	94,000
Administration expenses	7,000	6,000
Total operating charge	574,000	499,000

Changes in the present value of defined benefit obligations	2018 £	2017 £
At 1 September 2017	4,796,000	4,499,000
Current service cost	501,000	432,000
Interest cost	120,000	94,000
Employee contributions	86,000	75,000
Actuarial gain	(419,000)	(304,000)
Benefits paid	(41,000)	-
At 31 August 2018	5,043,000	4,796,000

Changes in the fair value of the trust's share of scheme assets	2018 £	2017 £
At 1 September 2017	1,965,000	1,426,000
Interest income	54,000	33,000
Actuarial gain	74,000	185,000
Employer contributions	316,000	252,000
Employee contributions	86,000	75,000
Benefits paid	(41,000)	-
Administrative expenses	(7,000)	(6,000)
At 31 August 2018	2,447,000	1,965,000

THE BLESSED EDWARD BAMBER CATHOLIC MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

20 Commitments under operating leases

At 31 August 2018 the total of the trust's future minimum lease payments under non-cancellable operating leases was:

	2018 £	2017 £
Amounts due within one year	18,146	11,829
Amounts due in two and five years	40,461	6,721
	<u>58,607</u>	<u>18,550</u>

21 Reconciliation of net expenditure to net cash flow from operating activities

	2018 £	2017 £
Net expenditure for the reporting period (as per the Statement of Financial Activities)	(725,850)	(428,417)
Adjusted for:		
Capital grants from DfE/ESFA and other capital income	(37,883)	(232,481)
Investment income receivable	(1,724)	(1,627)
Defined benefit pension costs less contributions payable	192,000	186,000
Defined benefit pension net finance cost	66,000	61,000
Depreciation of tangible fixed assets	123,458	142,797
(Increase) in debtors	(19,083)	(102,559)
(Decrease) in creditors	(71,842)	(43,267)
Net cash used in operating activities	<u>(474,924)</u>	<u>(418,554)</u>

THE BLESSED EDWARD BAMBER CATHOLIC MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

22 Related party transactions

Owing to the nature of the trust's operations and the composition of the Board of Directors being drawn from local public and private sector organisations, transactions may take place with organisations in which the trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the trust's financial regulations and normal procurement procedures. The following related party transactions took place in the period of account:

During the period the trust received £5,200 revenue income (2017: Nil) and no capital funding (2017: Nil) from The Diocese of Lancaster Education Service.

The academy trust paid a contribution towards governance support to The Diocese of Lancaster Education Service amounting to £16,610 (2017: £5,780), along with training and conference fees amounting to £1,287 (2017: £1,502), educational services amounting to £4,075 (2017: £2,695), building services support amounting to £1,661 (2017: £1,661) and inspection fees for St Mary's Catholic Academy amounting to Nil (2017: £1,500). Revenue income of £455 was outstanding at 31 August 2018 (2017: Nil).

The transactions are in accordance with the academy trust's financial regulations. In entering into the transactions the academy trust has complied with the requirements of the ESFA's Academies Financial Handbook.

23 Members' liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he or she is a member, or within one year after he or she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he or she ceases to be a member.

24 Agency arrangements

The trust distributes 16-19 bursary funds to students as an agent for the ESFA. In the accounting period ending 31 August 2018 the trust received £15,311 and disbursed £24,578 from the fund. An amount of £4,844 is included in other creditors relating to undistributed funds that are repayable to the ESFA.